

TYPE MEDIA CENTER, INC.

**Financial Statements
for year ended
December 31, 2019
(With summarized comparative
information for 2018)**

TYPE MEDIA CENTER, INC.

Statement of Financial Position

Assets

	December 31	
	2019	2018
Assets		
Cash and cash equivalents	\$1,610,898	\$2,668,867
Investments, at fair value	4,658,101	3,357,450
Contributions receivable	498,146	466,111
Accounts receivable	-	67,142
Accrued interest receivable	7,410	7,410
Prepaid expenses and other receivables	76,813	33,117
Security deposit	33,750	33,750
Total assets	\$6,885,118	\$6,633,847

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 74,004	\$ 75,454
Net assets		
Without donor restrictions	1,515,914	1,430,859
With temporary donor restrictions	5,295,200	5,127,534
Total net assets	6,811,114	6,558,393
Total liabilities and net assets	\$6,885,118	\$6,633,847

See notes to financial statements.

TYPE MEDIA CENTER, INC.

**Statement of Activities
For Year Ended December 31, 2019
(with summarized comparative information for year ended December 31, 2018)**

	2019			2018
	Without Donor Restrictions	With Temporary Donor Restrictions	Total	Total
Revenue, gains and other support				
Contributions – Individuals	\$ 178,984	\$ 269,922	\$ 448,906	\$ 1,167,287
Contributions - Foundations, public charities, trusts, and corporations	293,581	2,733,687	3,027,268	3,200,132
Program service fees	72,000	-	72,000	72,000
Special events revenues, net of related expenses of \$171,525 in 2019 and \$162,366 in 2018	27,300	-	27,300	64,078
Rental	141,281	-	141,281	128,586
Royalties and book sales	164,355	-	164,355	130,210
Net investment return	219,444	451,506	670,950	(90,228)
Other	7,460	-	7,460	7,187
Net assets released from restrictions	<u>3,287,449</u>	<u>(3,287,449)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>4,391,854</u>	<u>167,666</u>	<u>4,559,520</u>	<u>4,679,252</u>
Expenses				
Program services				
Internships	20,302	-	20,302	380,719
Type investigations	2,022,519	-	2,022,519	1,889,898
Fellowships	530,068	-	530,068	689,422
Other programs	<u>946,929</u>	<u>-</u>	<u>946,929</u>	<u>901,788</u>
Total program services	3,519,818	-	3,519,818	3,861,827
Supporting activities				
Management and general	445,189	-	445,189	613,085
Fundraising	<u>341,792</u>	<u>-</u>	<u>341,792</u>	<u>246,968</u>
Total expenses	<u>4,306,799</u>	<u>-</u>	<u>4,306,799</u>	<u>4,721,880</u>
Change in net assets	85,055	167,666	252,721	(42,628)
Net assets, beginning of year	<u>1,430,859</u>	<u>5,127,534</u>	<u>6,558,393</u>	<u>6,601,021</u>
Net assets, end of year	<u>\$ 1,515,914</u>	<u>\$ 5,295,200</u>	<u>\$ 6,811,114</u>	<u>\$ 6,558,393</u>

See notes to financial statements.

TYPE MEDIA CENTER, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2019

(with summarized comparative information for year ended December 31, 2018)

	2019								2018	
	Program Services				Total Program Services	Supporting Activities		Direct Cost of Special Event	Total	Total
	Internships	Type Investigations	Fellowships	Other Programs		Management and General	Fundraising			
Salaries	\$ 14,945	\$ 643,621	\$ -	\$ 219,309	\$ 877,875	\$ 135,257	\$ 165,447	\$ -	\$1,178,579	\$1,356,820
Payroll taxes and benefits	1,073	236,571	-	87,658	325,302	32,546	49,523	-	407,371	410,408
	16,018	880,192	-	306,967	1,203,177	167,803	214,970	-	1,585,950	1,767,228
Professional fees	638	45,071	-	12,231	57,940	23,905	8,565	-	90,410	113,941
Consulting	410	86,635	12,500	84,775	184,320	43,840	54,097	-	282,257	262,638
Telephone and internet charges	219	13,067	-	14,606	27,892	2,300	3,208	-	33,400	49,244
Equipment rental	44	2,417	-	843	3,304	3,067	591	-	6,962	5,398
Occupancy	1,764	106,817	-	34,327	142,908	154,253	23,690	-	320,851	286,396
Insurance	634	34,853	-	12,055	47,542	9,536	8,513	-	65,591	48,338
Travel and entertainment	-	54,243	2,737	27,697	84,677	7,493	2,986	-	95,156	125,222
Postage, printing and production	42	2,676	-	14,530	17,248	2,133	8,134	-	27,515	26,411
Advertising and publicity	-	22,615	-	24,090	46,705	5,426	-	-	52,131	45,774
Bank charges and other fees	61	4,268	6,315	1,818	12,462	-	1,244	-	13,706	12,105
Fellowships and grants	-	434,925	508,516	279,600	1,223,041	48	-	-	1,223,089	1,734,654
Stories, fact check, multimedia and records	-	258,735	-	4,383	263,118	-	-	-	263,118	-
Catering and facility rental	-	5,787	-	55,146	60,933	2,748	-	171,525	235,206	162,366
Websites costs	141	11,567	-	34,135	45,843	1,480	1,894	-	49,217	73,944
Conferences, dues and subscriptions	-	23,681	-	31,841	55,522	15,369	149	-	71,040	58,696
Office expenses	331	25,648	-	7,881	33,860	5,788	9,629	-	49,277	81,966
Tape, CD production and book purchases	-	9,322	-	4	9,326	-	4,122	-	13,448	9,925
Investment fees	-	-	-	-	-	31,671	-	-	31,671	30,993
Bad debt	-	-	-	-	-	-	-	-	-	20,000
Total expenses	<u>20,302</u>	<u>2,022,519</u>	<u>530,068</u>	<u>946,929</u>	<u>3,519,818</u>	<u>476,860</u>	<u>341,792</u>	<u>171,525</u>	<u>4,509,995</u>	<u>4,915,239</u>
Less expenses deducted directly on the statement of activities										
Direct cost of special events	-	-	-	-	-	-	-	(171,525)	(171,525)	(162,366)
Investment fees	-	-	-	-	-	(31,671)	-	-	(31,671)	(30,993)
Total expenses reported by function on the statement of activities	<u>\$ 20,302</u>	<u>\$2,022,519</u>	<u>\$ 530,068</u>	<u>\$ 946,929</u>	<u>\$3,519,818</u>	<u>\$ 445,189</u>	<u>\$ 341,792</u>	<u>\$ -</u>	<u>\$4,306,799</u>	<u>\$4,721,880</u>

See notes to financial statements.

TYPE MEDIA CENTER, INC.

Statement of Cash Flows

	Year Ended December 31	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 252,721	\$ (42,628)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized (gain) loss on investments	(617,406)	134,629
Donated securities	(398,954)	-
Proceeds from sale of donated securities	399,640	-
(Increase) decrease in assets		
Contributions receivable	(32,035)	409,243
Accounts receivable	67,142	44,921
Prepaid expenses and other assets	(43,696)	16,959
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(1,450)	3,377
Net cash provided by (used in) operating activities	<u>(374,038)</u>	<u>566,501</u>
Cash flows from investing activities		
Purchase of investments	(1,615,300)	(1,020,696)
Proceeds from sales of investments	<u>931,369</u>	<u>1,631,269</u>
Net cash provided by (used in) investing activities	<u>(683,931)</u>	<u>610,573</u>
Net change in cash and cash equivalents	(1,057,969)	1,177,074
Cash and cash equivalents, beginning of year	<u>2,668,867</u>	<u>1,491,793</u>
Cash and cash equivalents, end of year	<u>\$ 1,610,898</u>	<u>\$ 2,668,867</u>

See notes to financial statements.

TYPE MEDIA CENTER, INC.**Notes to the Financial Statements
December 31, 2019****Note 1 – Nature of organization**

A nonprofit media center, The Type Media Center, Inc. (the “Center”), (formerly known as The Nation Institute), is dedicated to strengthening the independent press and advancing social justice and civil rights. The Center's dynamic range of programs includes a bestselling book publishing imprint, Bold Type Books; the award-winning Type Investigations, which supports groundbreaking investigative journalism; the widely read and syndicated website TomDispatch; the Internship Program; and Journalism Fellowships that fund over 20 high-profile reporters every year.

Note 2 – Summary of significant accounting policies

The financial statements of the Center have been prepared on the accrual basis. The significant accounting policies followed are described below.

Net assets

The Center reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions:

- Net assets with donor restrictions contain donor-imposed restrictions that permit the Center to use or expend the assets including any revenue earned as specified. The restrictions are satisfied either by the passage of time or by action of the Center (temporary donor restrictions).
- Net assets without donor restrictions are not restricted by donors, or the donor-imposed restrictions have expired and are available for general operations of the Center.

Public support and revenue

Contributions are generally available for general operations unless specifically restricted by the donor. Unconditional promises to give are recorded when received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using reasonable interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as support with temporary donor restrictions if they are received with donor stipulations that limit the use of the donated assets or relate to future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Center records bequests as revenue when it is notified of a legally binding obligation and an amount can reasonably be established.

TYPE MEDIA CENTER, INC.**Notes to Financial Statements (continued)
December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Cash equivalents

The Center considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The change in the unrealized value of investments is included in the change in net assets.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than level 1 prices such as quoted prices of similar assets or quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Allowance for doubtful accounts

The Center has an allowance of \$10,000 at December 31, 2019 for pledges and contributions receivable that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

TYPE MEDIA CENTER, INC.**Notes to Financial Statements (continued)
December 31, 2019****Note 2 – Summary of significant accounting policies (continued)**Property and equipment

The Center capitalizes, as property and equipment, expenditures for assets in excess of \$2,500 with an estimated useful life of greater than one year. Property and equipment are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 11 years. As of December 31, 2019, the Center's property and equipment is fully depreciated.

The cost of maintenance and repairs is charged to expense when incurred.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses attributable to more than one functional expense category are allocated using an estimate of time and effort spent.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Comparative information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United State of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Concentrations of credit risk

The Center's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, investments and receivables. The Center places its cash with what it believes to be quality financial institutions. The Center's investments are exposed to various risks such as market volatility, liquidity, interest rate and credit. Due to the uncertainty related to the aforementioned risks, it is reasonably possible that changes in these risks could materially affect the fair value of the Center's investments reported in the accompanying statement of financial position at December 31, 2019. Management of the Center deems its receivables to be collectible. The Center believes no significant concentrations of credit risk exist with respect to its cash, investments and pledges and contributions receivable.

TYPE MEDIA CENTER, INC.

Notes to Financial Statements (continued)
December 31, 2019

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through October 27, 2020, which is the date the financial statements were available to be issued.

On March 13, 2020, President Trump declared a national emergency due to extraordinary circumstances resulting from the coronavirus. As a direct result of this executive order, the Center suspended its programming activities and the facility was closed during March 2020, with limited openings, subject to restrictions set forth by State and Local Governments. Management believes that the coronavirus may continue to have an impact on its financial condition, results of operations and outlook for year ending December 31, 2021. The total economic impact of the coronavirus on the Center's future financial operations is not readily determinable.

Note 3– Liquidity and availability of financial assets

The following is a summary of the Center's financial assets available for general use as of the statement of financial position date:

	<u>2019</u>	<u>2020</u>
Financial assets		
Cash	\$ 1,610,898	\$ 2,668,867
Investments, at fair value	4,658,101	3,357,450
Current portion of contributions receivable	<u>363,146</u>	<u>240,663</u>
Sub-total	6,632,145	6,266,980
Less: Net assets with temporary donor restrictions	<u>(2,335,623)</u>	<u>(2,561,544)</u>
Total financial assets	<u>\$ 4,296,522</u>	<u>\$ 3,705,436</u>

The Center's working capital and cash flows vary due to timing of payments received under grants and a concentration of contributions received near calendar year-end. As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center invests cash in excess of daily requirements in short-term investments. Financial assets reflected above do not include pledges and contributions receivable due in greater than one-year as of December 31, 2020 which totaled \$135,000 net of discount to present value. Net assets with temporary donor restrictions do not include net assets that are expected to be spent on programs during 2020.

Note 4 – Investments

For assets measured at fair value on a recurring basis as of December 31, 2019 accounting standards require quantitative disclosures about the fair value measurements separately for each major class of assets as follows:

TYPE MEDIA CENTER, INC.

Notes to Financial Statements (continued)
December 31, 2019

Note 4 – Investments (continued)

Description	December 31, 2019			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 171,584	\$ 171,584	-	\$ -
Common stock	1,063,549	1,063,549	-	-
Exchange traded funds	264,689	264,689	-	-
Fixed income				
Certificates of deposit	1,165,499	1,165,499	-	-
Government and GSE Bonds	493,057	-	493,057	-
Mutual funds				
Emerging markets	222,763	222,763	-	-
Fixed income	248,393	248,393	-	-
Equity	1,028,567	1,028,567	-	-
Total	<u>\$ 4,658,101</u>	<u>\$ 4,165,044</u>	<u>\$ 493,057</u>	<u>\$ -</u>

Net investment return for the year ended December 31, 2019 consists of the following:

Interest and dividends	\$ 85,215
Realized and unrealized gain	617,406
Investment management fees	<u>(31,671)</u>
Net investment return	<u>\$ 670,950</u>

Note 5 – Pledges and contributions receivable, net

Contributions and grants receivable are unconditional promises to make donations to the Center which consist of the following as of December 31, 2019:

Due within one year	\$ 373,146
Due in one to five years	<u>150,000</u>
Sub-total	523,146
Less: Amount to reduce contributions and grants receivable due in one to five years to their present value (discount rate – 4.00%)	15,000
Allowance for doubtful pledges	<u>10,000</u>
Total	<u>\$ 498,146</u>

TYPE MEDIA CENTER, INC.

Notes to Financial Statements (continued)
December 31, 2019

Note 6 – Property and equipment

The Center's property and equipment consists of the following at December 31, 2019:

Furniture and fixtures	\$ 63,182
Leasehold improvements	28,330
Computer equipment	21,963
Website	68,340
Telephone hardware	<u>14,455</u>
Total property and equipment	196,270
Less: accumulated depreciation and amortization	<u>196,270</u>
Property and equipment, net	<u>\$ -</u>

Note 7 – Net assets with temporary donor restrictions

Net assets with temporary donor restrictions consisted of the following as of December 31, 2019:

Fellowship	
Puffin	\$ 1,332,779
Other	1,327,447
Investigative fund	2,354,010
Interns	18,898
Other programs	
Tom Dispatch	228,373
Johnson Hiss Oral History	<u>33,693</u>
Total net assets with temporary donor restrictions	<u>\$ 5,295,200</u>

During the year ended December 31, 2019, net assets were released from donor restrictions for the following purposes:

Fellowship	
Puffin	\$ 139,024
Other	605,954
Investigative fund	2,044,117
Interns	20,311
Other programs	
Schell Lecture	81,137
Tom Dispatch	242,876
Ridenhour Prizes	<u>154,030</u>
Total	<u>\$ 3,287,449</u>

TYPE MEDIA CENTER, INC.

Notes to Financial Statements (continued)
December 31, 2019

Note 8 – Commitment

The Center occupies office space under the terms of an operating lease which has been extended through December 31, 2021. The lease requires monthly payments of \$17,810 in 2020 increasing to \$18,230 in the final year of the lease. In connection with the lease the Center provided the landlord with a security deposit of \$33,750.

The future minimum annual rental payments based upon the calendar years anniversary dates of the lease are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 218,517
2021	<u>223,560</u>
Total	<u>\$ 442,077</u>

In February 2016, the Center entered into an agreement to sublease a portion of its space to another non-profit organization. The sub-lease requires monthly rent payments of \$9,382 in 2020, increasing to \$9,610 and expires December 30, 2021. Rental revenue from this sublease totaled \$128,586 for the year ended December 31, 2019.

Note 9 – Retirement plans

The Center maintains a 403(b) retirement plan covering substantially all eligible employees.

The Center also maintains a Simplified Employee Pension (SEP) covering all eligible employees. During 2019 and 2018, the Center contributed 5% of an employee's compensation to the plan; such contributions totaled \$49,183 and \$46,383, respectively.

Note 10 – Tax status

The Center is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. As a nonprofit organization, the Center is also exempt from California State, New York State, and New York City income tax.